

11-3-1976

## Financing Campaigns For State Offices

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Office of the Secretary of State  
March Fong Eu

111 Capitol Mall, Room 220  
Sacramento, California 95814

Elections Division  
(916) 445-0820

April 6, 1977

TO: All Registrars of Voters and County Clerks

FROM: Cashmere M. Apperson, Elections Technician

Pursuant to Elections Code 3520(b) you are hereby notified that the total number of signatures to the hereinafter named proposed initiative statute filed with all county clerks is less than 100 percent of the number of qualified voters required to find the petition sufficient.

Title: FINANCING CAMPAIGNS FOR STATE OFFICES

Summary Date: November 2, 1976

Proponent: Michael H. Walsh

The petition has failed and no further action is necessary.



Office of the Secretary of State  
March Fong Eu

111 Capitol Mall, Room 220  
Sacramento, California 95814

Elections Division  
(916) 445-0820

CERTIFIED MAIL-  
RETURN RECEIPT REQUESTED

March 2, 1977

Mr. Michael H. Walsh  
2152 Union Street  
San Francisco, CA 94123

Dear Mr. Walsh:

The calendar of scheduled events we mailed to you in November 1976 was amended by Chapter 1106 of Statutes 1976. Specifically, Government Code Section 84202 was amended.

This section, quoted in principal part, states that "...proponents of a state measure shall file campaign statements not later than 35 days after the deadline for filing petitions or the date of notification that the measure has either qualified or failed to qualify, whichever date is earlier. The closing date for such a statement shall be 28 days after the deadline for filing petitions or the date of notification that the measure has either qualified or failed to qualify, whichever date is earlier...."

This means that that portion of our calendar pertaining to your filing of campaign statements of receipts and expenditures has been amended so that the last date for you to file such a statement is May 6, 1977. This campaign statement must include all transactions through April 29, 1977.

Note, then, that this means the June 25, 1977 or June 5, 1977 filing deadlines mentioned in our calendar is no longer true. If the Secretary of State finds that the measure has either qualified or failed to qualify on a date earlier than April 1, 1977, the last date to file is the 35th calendar day after the date of notification by the Secretary of State that the measure has either qualified or failed to qualify. The closing date for this campaign statement is 7 days prior to the filing deadline.



Office of the Secretary of State  
March Fong Eu

111 Capitol Mall, Room 220  
Sacramento, California 95814

Elections Division  
(916) 445-0820

November 17, 1976

TO ALL REGISTRARS AND COUNTY CLERKS

The attached enclosures, submitted by the Attorney General, are self explanatory and should be attached to the initiative measure entitled "Financing Campaigns For State Offices" dated November 2, 1976, with Michael H. Walsh as proponent.

Thank you for your attention to this matter.

Sincerely,

WILLIAM N. DURLEY  
ASSISTANT TO THE SECRETARY OF STATE  
ELECTIONS AND POLITICAL REFORM

*Cashmere M. Apperson*

CASHMERE M. APPERSON  
ELECTIONS TECHNICIAN

CMA:cg



common cause

2152 union street  
san francisco, california 94123 • (415) 346-7600

February 18, 1976



Mr. Jeff Graybill  
Attorney General's Office  
555 Capitol Mall  
Sacramento, California 95814

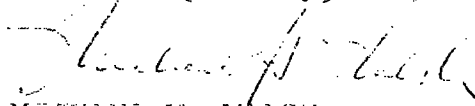
Dear Mr. Graybill:

I am the sole proponent of an initiative filed by California Common Cause on February 11, 1976, titled The Campaign Finance Reform Act. As Dave Arthur, of our San Francisco office, discussed with you last Friday, there are three typographical errors in the draft submitted to you that we wish to have corrected. They are:

1. Page 5, Section 32301(b), lines 5 and 6 should read "four cents (\$0.04)" rather than "five cents (\$0.04)";
2. Page 5, Section 32301(b), line 8, should read "five cents (\$0.05)" rather than "six cents (\$0.05)"; and
3. Page 18, Section 32709, line 3 "the" should be deleted and the line should read "unrepaid public payments."

I have enclosed corrected copies of the two pages on which the above changes occur. There are no other changes we wish to make to the draft at this time.

Yours very truly,

  
MICHAEL H. WALSH

Chairman,  
California Common Cause

MHW:CL  
Enc.



OFFICE OF THE ATTORNEY GENERAL

**Department of Justice**

555 CAPITOL MALL, SUITE 350

SACRAMENTO 95814

(916) 445-9555

November 16, 1976

**FILED**  
In the office of the Secretary of State  
of the State of California

**NOV 16 1976**

MARCH FONG EU, Secretary of State  
By *Cashmere M. Apperson*  
Deputy

Honorable March Fong Eu  
Secretary of State  
925 L Street, Suite 605  
Sacramento, CA 95814

Attention Rico Nannini

Re: Initiative Statutory Amendment, Financing Campaigns  
for State Offices; Proponent, Michael H. Walsh;  
Project No. 00002105-SA76RF0037

Dear Mrs. Eu:

Please note that the enclosures to the attached letter from Michael Walsh, proponent of the proposed initiative measure regarding financing of campaigns for state offices, made corrections of several typographical errors in the text of the measure which we transmitted to you by our letter of November 2, 1976.

The title and summary which we transmitted with the measure were prepared on the basis of the amended measure and no changes in the title and summary are necessary. In fact, as you will note, the changes are merely clarifications.

To avoid confusion, please adjust your copy of the measure by substituting the pages enclosed in the proponent's letter for the corresponding pages in the text of the measure which we sent to you originally. County clerks or other appropriate local officials should be assured that these changes in the text of the measure have no effect on the petition circulating and verifying processes for this measure.

Thank you for your cooperation.

Very truly yours,

EVELLE J. YOUNGER, Attorney General

*Geoffrey L. Graybill*  
GEOFFREY L. GRAYBILL  
Deputy Attorney General

GLG:vb  
Enc.

(b) Other statewide elective offices. A candidate for Lieutenant Governor, Attorney General, Controller, Secretary of State, Treasurer or Superintendent of Public Instruction, his or her agents, and persons subject to his or her control or direction, may not expend, in aggregate, more than four cents (\$0.04) times the voting age population of the State on January 1 of the year of the election with respect to a primary election, or five cents (\$0.05) times that voting age population with respect to a general election.

(c) State Senate. A candidate for State Senate, his or her agents, and persons subject to his or her control or direction, may not expend, in aggregate, more than twenty-five cents (\$0.25) times the voting age population of the district in which the candidate is seeking election on January 1 of the year of the election with respect to a primary election, or thirty cents (\$0.30) times that voting age population with respect to a general, special primary or special election. In the case of a special primary or special election within three months following January 1 of the year of the election, the voting age population shall be determined as of January 1 of the preceding year.

(d) State Assembly. A candidate for State Assembly, his or her agents, and persons subject to his or her control or direction, may not expend, in aggregate, more than forty cents (\$0.40) times the voting age population of the district in which the candidate is seeking election on January 1 of the year of the election with respect to a primary election, or fifty cents (\$0.50) times that voting age population with respect to a general, special primary or special election. In the case of a special primary or special election within three months following January 1 of the year of the election, the voting age population shall be determined as of January 1 of the preceding year.

(e) Limits for incumbent candidates seeking reelection to a statewide elective office or to the legislature from the same district shall be 10 percent less than the limitations in subsections (a), (b), (c), and (d) of this section. This subsection shall not apply to a legislative district at the first election after a decennial or court ordered redistricting if at least 10 percent of the population in the district was not included in the district under the immediately preceding districting.

32302. (a) A candidate may not expend more than twenty thousand dollars (\$20,000) in value of his or her own funds and property to further his or her nomination for or election to statewide elective office with respect to any primary, general, or runoff election.

(b) A candidate may not expend more than ten thousand dollars (\$10,000) in value of his or her own funds and property to further his or her nomination for or election to state legislative office

32707. The Controller shall establish a state account for each candidate entitled to public payments under this division. Within two business days after receipt from the Commission of certification of an amount of matchable contributions, or the number of verified endorsement cards used to become eligible, the Controller shall credit a candidate's account with the amount of public funds to which he or she is thereby entitled according to this division.

32708. The Controller shall pay, for deposit in a candidate's bank account for public payments, amounts in the candidate's state account as requested in writing by the candidate. The payments shall be made within two business days after receipt of the candidate's request. The Controller shall reduce the balance in the candidate's state account by amounts paid.

32709. Candidates and their treasurers shall pay to the State General Fund, to the extent that they have received unrepaid public payments:

(a) The amount of public payments received under this division to which they were not entitled;

(b) Any public payments which were expended other than for qualified campaign expenditures;

(c) The amount of any expenditure from a candidate's bank account, or petty cash account, for any purpose other than lawful campaign expenditures.

32710. (a) Candidates and other persons shall promptly pay to the Controller the amount or value of any rebate, refund or other repayment, whether in money or other thing of value, received by them because of any qualified campaign expenditure paid with public funds.

(b) Any payments received by the Controller from a candidate under this section or Section 32709 shall be deducted in calculating the amount of public funds which have been paid to the candidate, and the candidate's state account shall be credited for the amount of such payments.

32711. After a primary, general, special primary, special or runoff election, the Franchise Tax Board shall make a full examination and audit, including field investigations, of campaign receipts and expenditures of each candidate who received public funds under this division to check compliance with the division. Franchise Tax Board audits of primary candidates who are nominated shall not be initiated until after the general election. Board audits of candidates in a special primary or in an election for Superintendent of Public Instruction who are chosen as candidates for a special or runoff election shall not be initiated until after the special or runoff election.





Office of the Secretary of State  
March Fong Eu

111 Capitol Mall, Room 220  
Sacramento, California 95814

Elections Division  
(916) 445-0820

April 6, 1977

TO: All Registrars of Voters and County Clerks

FROM: Cashmere M. Apperson, Elections Technician

Pursuant to Elections Code 3520(b) you are hereby notified that the total number of signatures to the hereinafter named proposed initiative statute filed with all county clerks is less than 100 percent of the number of qualified voters required to find the petition sufficient.

Title: FINANCING CAMPAIGNS FOR STATE OFFICES

Summary Date: November 2, 1976

Proponent: Michael H. Walsh

The petition has failed and no further action is necessary.



Office of the Secretary of State  
March Fong Eu

111 Capitol Mall, Room 220  
Sacramento, California 95814

Elections Division  
(916) 445-0820

November 2, 1976

TO THE REGISTRARS OF VOTERS AND COUNTY CLERKS

Pursuant to Section 3507 of the Elections Code, there is transmitted herewith a copy of the Title and Summary prepared by the Attorney General on a proposed Initiative Measure entitled:

FINANCING CAMPAIGNS FOR STATE OFFICES

INITIATIVE STATUTE

Circulating and Filing Schedule

1. Minimum number of signatures required.....312,404  
Constitution IV, 22(b)
2. Official Summary Date.....Tuesday, 11/02/76  
Elections Code Section 3507.
3. Petition Sections:
  - a. First day Proponent can circulate Sections for  
signatures.....Tuesday, 11/02/76
  - b. Last day Proponent can circulate and file with the  
county. All Sections are to be filed at the same  
time.....Friday, 04/01/77  
Elections Code Sections 3507, 3520(a).
  - c. Last day for county to determine total number of  
signatures affixed to petition and to transmit total  
to Secretary of State.....Wednesday, 04/06/77  
  
(If the Proponent files the petition with the county  
on a date before 04/01/77, the county has 5 days from  
the filing of the petition to determine the total  
number of signatures affixed to the petition and to  
transmit this total to the Secretary of State)  
Elections Code Section 3520(b)
  - d. Last day for county to determine number of qualified elec-  
tors who have signed the petition, and to transmit  
certificate, with a blank copy of the petition to the  
Secretary of State.....Thursday, 04/21/77

(If the Secretary of State notifies the counties to determine the number of qualified electors who signed the petition on a date prior to 4/6/77 the last day is not later than the fifteenth day after the notification.)  
Elections Code Section 3520(d,e).

- e. If the signature count is between 281,164 and 343,644 then the Secretary of State notifies counties using the random sampling technique to determine validity of all signatures.

Last day for county to determine actual number of all qualified electors who signed the petition, and to transmit certificate, with a blank copy of the petition to the Secretary of State.....Friday, 05/20/77\*

(If the Secretary of State notifies the counties to determine the number of qualified electors who have signed the petition on a date prior to 4/21/77 the last day is not later than the thirtieth day after the notification.)  
Elections Code Section 3520.5

#### 4. Campaign Statements:

- a. If the measure qualifies for the ballot:  
Last day for Proponent to file a Statement of Receipts and Expenditures for period ending 6/18/77.....Saturday, 06/25/77

(If the Secretary of State qualified the measure for the ballot on a date other than 4/21/77 the last day to file is the 65th calendar day after the date the measure qualified).  
Government Code Section 84202(a).

- b. If the measure does not qualify for the ballot:  
Last day for Proponent to file a Statement of Receipts and Expenditures for period ending 5/29/77.....Sunday, 06/05/77  
Government Code Section 84202(b).

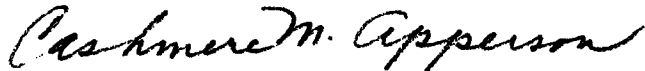
\* Date adjusted for official deadline which falls on Saturday.

5. The Proponent of the above measure is:

Michael H. Walsh  
2152 Union Street  
San Francisco, CA 94123

(415) 346-7600

WILLIAM N. DURLEY  
Assistant to the Secretary of State  
Elections and Political Reform

A handwritten signature in cursive script that reads "Cashmere M. Apperson".

Cashmere M. Apperson  
Elections Technician

CMA:cg

NOTE TO PROPONENT: Your attention is directed to Elections Code Sections 45, 3500.1, 3502.5 and 3511 for appropriate format and type considerations in printing, typing and otherwise preparing your initiative petition for circulation and signatures.

Your attention is further directed to Government Code Sections 85200 et seq. regarding the circulation of statewide petition.

# DECLARATION OF MAILING

RE: Initiative Statutory Amendment - Financing  
Campaigns for State Offices - Proponent,  
Michael H. Walsh; No. 00002105-SA76RF0037

I, Valeska Barham, declare as follows:

I am a citizen of the United States, over the age of 18 years, and not a party to the within action; I reside in the County of Sacramento, State of California; my business address and place of employment is 555 Capitol Mall, Suite 550, Sacramento, CA 95814.

The proponent(s) of the above named measure is  
Michael H. Walsh  
2152 Union Street  
San Francisco, CA 94123

(Telephone (415) 346-7600)

On the 2d day of November, 1976, I mailed a letter, a true copy of which is attached hereto, to the person(s) above named, in an envelope addressed to him at the address(es) set out immediately below name(s), sealed said envelope(s), and deposited the same in the United States mail at the City of Sacramento, County of Sacramento, State of California, with postage thereon fully prepaid, and there is regular communication between the said place of mailing and the place(s) so addressed.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Sacramento, California, on November 2, 1976.

Valeska Barham

EVELLE J. YOUNGER  
ATTORNEY GENERAL

STATE OF CALIFORNIA



OFFICE OF THE ATTORNEY GENERAL

**Department of Justice**

555 CAPITOL MALL, SUITE 350  
SACRAMENTO 95814  
(916) 445-9555

November 2, 1976

**FILED**  
In the office of the Secretary of State  
of the State of California

NOV - 3 1976

MARCH FONG EU, Secretary of State

By *Lawrence M. Apperson*  
Deputy

Honorable March Fong Eu  
Secretary of State  
925 L Street, Suite 605  
Sacramento, CA 95814

Attention Rico Nannini

Re: Initiative Statutory Amendment - Financing  
Campaigns for State Offices - Proponent, Michael  
H. Walsh; Our No. 00002105-SA76RF0037

Dear Mrs. Eu:

Pursuant to the provisions of section 3507 of the Elections Code, you are hereby informed that on this day we mailed to Michael H. Walsh, as proponent, the following title and summary:

FINANCING CAMPAIGNS FOR STATE OFFICES. INITIATIVE STATUTE. Limits amount any individual or organization may contribute directly or indirectly to a candidate for nomination for or election to a state office. Provides public money for qualified campaign expenditures of candidates within specified limits and methods of calculating entitlements of candidates. Limits campaign expenditures of candidates accepting public money. Sets requirements to qualify for public money. Requires statements of qualifications submitted by authorized candidates be mailed to voters by county clerks. Prohibits state officers and employees from participating in campaigns while on duty. Provides enforcement mechanisms including civil and criminal penalties. Financial impact: Based upon 1976 price levels,

Hon. March Fong Eu

2


state and local costs would increase between \$5.8 million and \$18 million on a fiscal year basis, depending on the type of statewide election held; state and local costs for a four-year election cycle would total approximately \$47 million.

Enclosed herewith is a declaration of mailing thereof, and a copy of the proposed measure.

According to information available in our records, the address and telephone number of the proponent of this measure are as stated on the declaration of mailing.

Very truly yours,

EVELLE J. YOUNGER  
Attorney General



GEOFFREY L. GRAYBILL  
Deputy Attorney General

GLG:vb  
Enc.

Section 1 Division 17 is added to the Election Code, as follows:

## DIVISION 17. CAMPAIGN FINANCE REFORM

### CHAPTER 1. FINDINGS AND POLICY

32000. This division may be cited as the Campaign Finance Reform Act.

32001. The People find and declare:

(a) Existing laws relating to campaign finances are inadequate. They do not limit the size of contributions. They do not impose any effective limit on campaign expenditures. They do not provide an adequate, desirable source of campaign funds for candidates. They do not provide voters with needed information about candidates.

(b) Elections are the most important public business in a democratic society. Citizens have a vital stake in who runs for public office, in being informed about candidates before voting, and in the obligations and indebtednesses winners may carry into office.

(c) Citizens benefit from a competitive election system; an election system that does not discriminate against persons of average or modest wealth; that provides sufficient no-strings-attached campaign funds for candidates to communicate with voters; and that encourages citizen participation.

(d) Candidates are now frequently dependent on large contributions from wealthy individuals and special interests. Powerful economic interests who make large contributions often have privileged access to public officials and undue influence in government decision making--access and influence not available to the average citizen or the modest campaign contributor. The public pays heavily for government favoritism to big contributors.

(e) There is too little competition in elections; not enough accountability of officials to the public; too little communication between candidates and voters. Incumbents are reelected, often without real challenge, regardless of performance in office. Candidates, particularly nonincumbents, frequently have too little money for a campaign, even though there may be much potential support for them among voters.

(f) The present system discriminates against challengers and against candidates without wealth or access to wealth, regardless of their ability or stands on issues. Incumbents receive most of the big contributions, as well as often use their offices for purposes of reflection.



(g) There has been a large decline, in recent years, in citizen involvement in California elections and citizen confidence in the political system. This decline results in part from the serious defects in the present system of campaign financing.

32002. The purposes of this act are to:

(a) Make government operate to serve the needs of all citizens in a fairer, more even-handed way;

(b) Reduce candidate dependence on large contributions;

(c) Curb the disproportionate influence and access of big contributors;

(d) Eliminate discrimination against candidates of average or modest income;

(e) Provide candidates who can show substantial public support with the opportunity to obtain no-strings-attached funds necessary for an adequate campaign;

(f) Give citizens more, timely information about candidates and their positions;

(g) Increase competition for elective offices, thereby making officials more accountable to the public;

(h) Encourage more persons to make contributions and participate in elections, and encourage candidates to solicit modest contributions from more people; and

(i) Prohibit elected officials from misusing government-paid staff for political campaigning.

## CHAPTER 2. PROHIBITION OF POLITICAL ACTIVITY WHILE ON PUBLIC DUTY

32100. State officers and employees may not act for the purpose of furthering or opposing the nomination for or election to office of any candidate, except as required to administer or enforce impartially the law, during times for which they are being paid to perform government duties.

## CHAPTER 3. LIMITATIONS ON CONTRIBUTIONS

32200. Except as provided in Sections 32201, 32202 and 32203, a person may not make a contribution or contributions, directly or indirectly, aggregating more than:

(1) Five hundred dollars (\$500) in value to a candidate for nomination for or election to a statewide elective office

with respect to any primary, general or runoff election;

(2) Two hundred fifty dollars (\$250) in value to a candidate for nomination for or election to the State Legislature with respect to any primary, general, special primary or special election;

(3) Five hundred dollars (\$500) in value in a calendar year to the special candidate account or accounts of a party central committee or committees from which contributions are made to, or expenditures are made in support of, one or more named or clearly identified candidates for state elective office;

(4) One hundred dollars (\$100) in value to any other person in any calendar year.

32201. A person other than an individual may contribute a maximum of three times the amount permitted by Sections 32200(1) and (2) to candidates for nomination for or election to statewide and legislative elective office, respectively, provided the person has fifty (50) or more bona fide members, or fifty (50) or more persons hold an ownership interest in the person, or the person has received gifts of ten dollars (\$10) or more from fifty (50) or more persons for purposes of campaign contributions.

32202. Individuals may contribute a maximum of one thousand dollars (\$1,000) to a candidate for nomination for statewide elective office prior to the time that the candidate becomes eligible for public payments or the last date for filing nomination papers, whichever is earlier. Candidates for statewide office may not receive more than fifty thousand dollars (\$50,000) in amounts in excess of five hundred dollars (\$500) under this section. Individuals who contribute five hundred dollars (\$500) or more under section, or under this section and subsection (1) of Section 32200, may not make additional contributions under that subsection.

32203.(a) The state and county central committees of a political party may make contributions to a candidate for state elective office, other than Superintendent of Public Instruction, with respect to any general or special election, not to exceed, in aggregate, 20 percent of the expenditure limit in Section 32301 which would apply to the candidate if he or she received public payments.

(b) Party central committee contributions to candidates may be made only from special candidate bank accounts which are restricted to contributions of five hundred dollars (\$500) or less, in aggregate, from a person during a calendar year. Each county central committee may make contributions under this section from only one special account.

(c) When a party central committee makes a contribution jointly to two or more candidates, the contribution shall be apportioned among the candidates according to reasonable rules adopted by the Commission.

32204. A contribution shall be regarded as made to a candidate, person or party if it is made to a person who received the contribution subject to the candidate's, person's or party's direction or control.

32205. The value of a contribution other than money shall be its fair market value at the time it is received.

32206. A contribution by any parent, subsidiary, division, committee, department, branch or local unit of a person shall be treated as a contribution by the person for purposes of this chapter. This section shall not apply to contributions by parents of individuals. Contributions by children under 18 years of age shall be deemed to be made by their parents, except contributions by children of a candidate to the candidate.

32207. A contribution by a person under the control or direction of another person shall also be treated as a contribution by the other person for purposes of this chapter. A person who transfers or promises to transfer anything of value to another person on the understanding or arrangement that the other will make a contribution to a candidate shall also be regarded as making a contribution to the candidate to the extent that the other person makes a contribution to the candidate in accordance with the understanding or arrangement.

32208. Contributions to political party organizations may not be earmarked or designated in any manner, formally or informally, for the use or benefit of a particular candidate or candidates.

32209. No candidate or other person shall knowingly or willfully accept or use a contribution prohibited by this chapter.

#### CHAPTER 4. LIMITATIONS ON EXPENDITURES

32300. Candidates for state elective offices who receive public payments may not make expenditures in excess of the limits specified in this chapter for the respective offices.

32301. (a) Governor. A candidate for Governor, his or her agents, and persons subject to his or her control or direction, may not expend, in aggregate, more than ten cents (\$0.10) times the voting age population of the State on January 1 of the year of the election with respect to a primary election, or twelve cents (\$0.12) times that voting age population with respect to a general election.

(b) Other statewide elective offices. A candidate for Lieutenant Governor, Attorney General, Controller, Secretary of State, Treasurer or Superintendent of Public Instruction, his or her agents, and persons subject to his or her control or direction, may not expend, in aggregate, more than five cents (\$0.04) times the voting age population of the State on January 1 of the year of the election with respect to a primary election, or six cents (\$0.05) times that voting age population with respect to a general election.

(c) State Senate. A candidate for State Senate, his or her agents, and persons subject to his or her control or direction, may not expend, in aggregate, more than twenty-five cents (\$0.25) times the voting age population of the district in which the candidate is seeking election on January 1 of the year of the election with respect to a primary election, or thirty cents (\$0.30) times that voting age population with respect to a general, special primary or special election. In the case of a special primary or special election within three months following January 1 of the year of the election, the voting age population shall be determined as of January 1 of the preceding year.

(d) State Assembly. A candidate for State Assembly, his or her agents, and persons subject to his or her control or direction, may not expend, in aggregate, more than forty cents (\$0.40) times the voting age population of the district in which the candidate is seeking election on January 1 of the year of the election with respect to a primary election, or fifty cents (\$0.50) times that voting age population with respect to a general, special primary or special election. In the case of a special primary or special election within three months following January 1 of the year of the election, the voting age population shall be determined as of January 1 of the preceding year.

(e) Limits for incumbent candidates seeking reelection to a statewide elective office or to the legislature from the same district shall be 10 percent less than the limitations in subsections (a), (b), (c), and (d) of this section. This subsection shall not apply to a legislative district at the first election after a decennial or court ordered redistricting if at least 10 percent of the population in the district was not included in the district under the immediately preceding districting.

32302. (a) A candidate may not expend more than twenty thousand dollars (\$20,000) in value of his or her own funds and property to further his or her nomination for or election to statewide elective office with respect to any primary, general, or runoff election.

(b) A candidate may not expend more than ten thousand dollars (\$10,000) in value of his or her own funds and property to further his or her nomination for or election to state legislative office

with respect to any primary, general, special primary or special election.

32303. The limitations in this chapter apply to amounts expended prior to and after receipt of public payment.

## CHAPTER 5. GOVERNMENT MAILING OF CANDIDATE STATEMENTS

### Article 1. Ballot Pamphlets

32400. The Secretary of State shall print, for inclusion with each state ballot pamphlet, copies of a statement submitted by each candidate for nomination for or election to state elective office in a primary or general election, or Superintendent of Public Instruction, who is entitled to have his or her name listed on the ballot and who meets the requirements of Section 32401. Copies of statements shall be furnished by the secretary to county clerks, for candidates on the ballot in each county, and mailed by the clerks as they are required to mail ballot measure material. Candidate statements may be mailed in the same pamphlet as the ballot measure material or in a separate pamphlet. Candidate statements shall be placed ahead of ballot measure material, if in the same pamphlet. The State shall reimburse counties for the costs of handling and mailing candidate statements under this article.

32401. To qualify for inclusion of his or her statement in the ballot pamphlet, a candidate must:

(a) File a typewritten statement of his or her qualifications and positions with the Secretary of State, on a form prescribed by the secretary, with as many copies as reasonably required by the secretary, not later than 83 days before the election;

(b) In the case of primary elections, or elections for Superintendent of Public Instruction held at the time of a primary election, be eligible under Section 32601 to receive public funding, or pay the Secretary of State four dollars (\$4) if a candidate for nomination for statewide elective office, or ten dollars (\$10) if a candidate for nomination for or election to the State Senate or Assembly, for each 1,000 persons registered to vote on January 1 of the year in which the election is held who would have been eligible to vote for the candidate if the election had been held on that date. The secretary shall transfer payments received under this article to the State General Fund to cover costs of printing and mailing the statement;

(c) In the case of a general election or runoff election for Superintendent of Public Instruction, be entitled to have his or her name printed on the ballot;

(d) Sign the statement, subject to criminal liability plainly stated on the form for willful or knowing false statements. A candidate shall not willfully or knowingly make any false statement or assertion in the statement filed with the Secretary of State.

32402. Statements shall be regarded as filed for purposes of this article when delivered to the Secretary of State or, if mailed to the secretary by properly addressed first-class registered mail, when delivered to appropriate postal officials.

32403. (a) A candidate's statement shall be printed by the Secretary of State in 8-point type of uniform spacing and darkness, except for names and headings which shall be printed in boldface in at least 10-point type. It shall be printed in as readable, attractive form as possible without unreasonable printing costs. It shall be printed in the order presented by the candidate, but only to the extent that printed, with normal margins, it does not exceed one page the same size as the state ballot pamphlet. The nomination or office which each candidate is seeking and the candidate's name shall be printed distinctly before the candidate's statement on each copy.

(b) At the bottom of each page of a pamphlet containing candidate statements the Secretary of State shall print in 8-point type, "The statements on this page are provided by the candidates. They have not been verified by any public official."

32404. (a) The Secretary of State shall send a copy of each candidate's statement to each candidate opposing him or her for nomination or election by first-class mail within seven (7) days after the statement is filed or the opposing candidate becomes eligible to have his or her name listed on the ballot, whichever is later.

(b) Copies of a candidate's statement shall be available for public inspection and copying within two (2) business days after the statement is received by the Secretary of State.

32405. Nothing in this division shall make persons drafting or filing a statement immune from any civil or criminal action or penalty provided by law.

32406. Three copies of ballot measure and candidate statements mailed to voters shall be available to the voters at each polling place.

## Article 2. Material Provided by Legislative Candidates

32410. Any candidate for nomination for or election to the State Senate or Assembly, who is eligible to receive public

payment of qualified campaign expenditures under Section 32502 or Section 32601, and who is opposed by another candidate in the same primary, general, special primary or special election, is entitled to mailing of a campaign statement, in accordance with the provisions of this article. Write-in candidates shall not be regarded as opposition for purposes of this section.

32411. Not later than 40 days before a primary, general, special primary or special election, the candidate shall provide the county clerk of each county where he or she is on the ballot and wants the mailing to be made with copies of a campaign statement. The statement provided by the candidate must be on 8½" x 11" paper, which does not weigh more than one-fifth (1/5) ounce per sheet. The statement may not exceed more than two sides of a single sheet of paper. It must be signed by the candidate. A candidate shall not willfully or knowingly make any false statement or assertion in the campaign statement filed with the clerk.

32412. Nothing in this division shall make persons drafting or filing a statement immune from any civil or criminal action or penalty provided by law.

32413. (a) To the extent that he or she receives copies from a candidate, the county clerk shall mail the statement, at county expense, to persons registered to vote in the county thirty (30) days or more before election who are eligible to vote for the candidate in the election. Statements shall be mailed so that they will be received not later than three (3) days before the election. To the extent practicable, they shall be mailed so that they will not be received earlier than eight (8) days before the election. The state shall reimburse the counties for the costs of handling and mailing under this article.

(b) Statements for all candidates for the same nomination in a primary election, and for all candidates for the same office in a general, special primary or special election shall be mailed in one envelope. Statements of candidates for nomination for or election to the State Senate and Assembly may be mailed in the same envelope.

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CHAPTER 6. PUBLIC PAYMENTS FOR QUALIFIED CAMPAIGN  
EXPENSES - GENERAL, SPECIAL AND RUNOFF ELECTIONS

32500. (a) Eligible nominees for state elective offices in general, special and runoff elections may obtain public payments for qualified campaign expenditures. These public payments shall not exceed the amount specified in this division. They shall be made only in accordance with the provisions in this division. No public funds shall be used except for payment of qualified campaign expenditures actually and lawfully incurred.

(b) To be eligible for public payments under this division a candidate shall declare, in a signed statement filed with the Commission, that he or she has not exceeded, and will not exceed, the expenditure limits in Chapter 4.

32501. Statewide Elective Offices. (a) Each eligible nominee for Governor is eligible for maximum public payment of seven cents (\$0.07), each eligible nominee for Lieutenant Governor and Attorney General for maximum public payment of two and one-half cents (\$0.025), and each eligible nominee for Controller, Secretary of State and Treasurer for maximum public payment of two cents (\$0.02), times the voting age population in the State on January 1 of the year in which the general election is to be held for which the nominee is a candidate.

(b) On nomination, each eligible party nominee is entitled to twenty cents (\$0.20) times the number of persons qualified to vote in the primary as registered in the same party as the candidate, or one-fourth of his or her maximum public payment, whichever amount is lesser. The nominee is entitled to the balance of his or her maximum public payment on the basis of three dollars (\$3) in public funds for each one dollar (\$1) in matchable contributions submitted in accordance with this division.

(c) On nomination, each eligible independent nominee is entitled to ten cents (\$0.10) times the number of persons required to sign the nominee's petition for him or her to qualify for the ballot, or one-fourth of his or her maximum public payment, whichever amount is lesser. The nominee is entitled to the balance of his or her maximum public payment on the basis of three dollars (\$3) in public funds for each one dollar (\$1) in matchable contributions submitted in accordance with this division.

32502. State Senator and Assemblyman. (a) Each eligible nominee for the State Senate is eligible for maximum public payment of fifteen cents (\$0.15), and each eligible nominee for the State Assembly for maximum public payment of twenty-two and one-half cents (\$0.225), times the voting age population in the



district in which he or she is seeking election on January 1 of the year in which the election is to be held for which the nominee is a candidate, or, in the case of a special election within three (3) months following January 1, on January 1 of the preceding year.

(b) On nomination, each eligible party nominee for the State Senate is entitled to thirty cents (\$0.30), and each eligible nominee for the State Assembly to forty cents (\$0.40), times the number of persons qualified to vote in the district in the primary election as registered in the same party as the candidate, or one-fourth of his or her maximum public payment, whichever amount is lesser. The nominee is entitled to the balance of his or her maximum public payment on the basis of three dollars (\$3) in public funds for each one dollar (\$1) in matchable contributions submitted in accordance with this division.

(c) On nomination, each eligible independent nominee is entitled to twenty cents (\$0.20) times the number of persons required to sign the nominee's petition for him or her to qualify for the ballot, or one-fourth of his or her maximum public payment, whichever amount is lesser. The nominee is entitled to the balance of his or her maximum public payment on the basis of three dollars (\$3) in public funds for each one dollar (\$1) in matchable contributions submitted in accordance with this division.

32503. Superintendent of Public Instruction. (a) Each eligible nominee for Superintendent of Public Instruction in a runoff election is eligible for maximum public payment of two cents (\$0.02) times the voting age population in the State on January 1 of the year in which the election is to be held.

(b) Each eligible nominee is entitled to twenty cents (\$0.20) times the number of persons qualified to vote for Superintendent of Public Instruction at the election held at the time of the party primary elections, or one-fourth of his or her maximum public payment, whichever amount is lesser. The nominee is entitled to the balance of his or her maximum public payment on the basis of three dollars (\$3) in public funds for each one dollar (\$1) in matchable contributions submitted in accordance with this division.

32504. Unopposed candidates in a general election shall not be entitled to any payment of public funds for qualified campaign expenditures. Write-in candidates shall not be regarded as opposition for purposes of this section.

32505. The Secretary of State shall report to the Commission and the Controller the number of persons eligible to vote (1) for Superintendent of Public Instruction at the time of the party primary elections, (2) to vote in each party primary for state-wide elective office, (3) in each party primary for each legislative office, and (4) in each special primary, within ten (10) days after a primary or within three (3) days after a special primary election. If a candidate qualifies as an independent nominee, the Secretary shall report to the Commission and the Controller, within three (3) business days, the number of registered voters who were required to sign the candidate's petition in order for him or her to qualify as an independent nominee.

#### CHAPTER 7. PUBLIC PAYMENT FOR QUALIFIED CAMPAIGN EXPENSES - PRIMARY ELECTIONS

32600. Eligible candidates for nomination for state elective office, for election to state legislative office in special primary elections, and for election as Superintendent of Public Instruction at an election held at the same time as party primary elections, may obtain public payment for qualified campaign expenditures. These public payments shall not exceed the amounts specified in this division. They shall be made only in accordance with the provisions of this division. No public funds shall be used except for payment of qualified campaign expenditures actually and lawfully incurred.

32601. Eligible candidates are candidates who:

(a) Have satisfied all legal requirements to have their names listed on the ballot; and

(b) Obtain and submit to the appropriate government officials as provided in Sections 32607 and 32610 (i) valid endorsement cards, or (ii) an amount of dollars in qualifying contributions, or (iii) any combination of endorsement cards and dollars of qualifying contributions equal to the following numbers:

(1) Candidates for gubernatorial nomination - 2 percent of the number of persons registered to vote as affiliated with the party whose nomination they seek as of January 1 of the year in which the primary election is to be held, up to a maximum sum of 50,000, but not less than 3,000;

(2) Candidates for the nomination for other statewide offices - 1 percent the number of persons registered to vote as affiliated with the party whose nomination they seek as of January 1 of the year in which the primary election is to be held, up to a maximum sum of 20,000, but not less than 2,000;

(3) Candidates for nomination for State Senate - 8 percent of the number of persons registered to vote as affiliated with the party whose nomination they seek in the Senate district involved as of January 1 of the year in which the primary election is to be

held, up to a maximum sum of 4,500, but not less than 500, or in the case of a special election, 3 percent of the total number of persons registered to vote in the district as of January 1 of the year in which the Governor issues his call for the special election, up to a maximum sum of 3,500;

(4) Candidates for nomination for State Assembly - 8 percent of the number of persons registered to vote as affiliated with the party whose nomination they seek in the Assembly district involved as of January 1 of the year in which the primary election is to be held, up to a maximum sum of 3,000, but not less than 300, or in the case of a special election, 3 percent of the total number of persons registered to vote in the district as of January 1 of the year in which the Governor issues his call for the special election, up to a maximum sum of 2,500;

(5) Candidates for nomination for Superintendent of Public Instruction - 1/2 percent of the total number of persons registered in the state as of January 1 of the year in which the primary election is to be held, up to a maximum sum of 20,000.

(c) Declare, in a signed statement filed with the Commission, that they have not exceeded, and will not exceed, the expenditure limits in Chapter 4.

32601.5. Each endorsement card shall equal 1.0 toward the numbers required in Section 32601, except as adjusted, fractionally or by whole integer, under Section 32904.

32602. Endorsement cards shall be made available by the Secretary of State to candidates for nomination for statewide elective office, and by the secretary through county registrars of voters or, if none, county clerks to candidates for nomination for or election to legislative office, on the first working day after January 1 of a regular primary election year, or within 12 calendar days after the Governor issues his call for a special election. Candidates receiving cards shall pay the fair costs to the state of printing and supplying the cards.

32603. An individual may validly sign an endorsement card for a candidate only if he or she is registered as a member of the candidate's party, except for special elections, and, in the case of candidates for the State Legislature, he or she is registered in the election district in which the candidate is seeking nomination. An individual may validly sign only one card for a candidate. No person shall solicit, obtain or submit the signed endorsement card of an individual whom the person knows or has reason to know cannot lawfully sign a card for the candidate endorsed.

32604. The following material shall be printed on candidate endorsement cards in the order listed:

(a) First, at the top in large capital letters "CANDIDATE ENDORSEMENT CARD";

(b) Second, in large capital letters, the name of the office for which the candidate is seeking nomination or election;

(c) Third, a pledge, "I presently intend to support \_\_\_\_\_ for nomination for \_\_\_\_\_ in the \_\_\_\_\_ (name of candidate) \_\_\_\_\_ (office) \_\_\_\_\_ (Secretary of State shall print date and name of party) primary."

In the case of special elections, "I presently intend to support \_\_\_\_\_ for the office of \_\_\_\_\_ in the \_\_\_\_\_ (Secretary of State shall print date) special primary election, or in the case of the Superintendent of Public Instruction, "at the (Secretary of State shall print date) election";

(d) Fourth, a warning, in type at least the size and darkness of the average type size and darkness on the card, reading "You may not sign this card unless you are registered to vote as a member of the same party as the candidate endorsed," and in the case of state legislative offices," and in the election district in which the candidate is seeking nomination. It is unlawful to receive money or anything of value for signing this card." For special elections, the provision "as a member of the same party as the candidate endorsed and "shall not be included on the card, and "nomination" shall be replaced by "election";

(e) Fifth, the statement, "Information provided on this card is confidential. It is to be used only by the candidate and for administration, audits and enforcement authorized by law";

(f) Sixth, designated lines for the printed name, signature and registration address of the person making the endorsement, and the date of his or her signature;

(g) Seventh, a warning, "It is a crime to forge any person's signature on this card";

(h) Eighth, designated lines for the printed name, signature, and registration address of the solicitor or person obtaining the endorsement.

32605. No person shall sign the signature of any other individual on an endorsement card, or direct, authorize or conspire with any person to make such signature. No signature on an endorsement card may be obtained by duress or misrepresentation. No person shall pay, give or promise another person anything of value to sign an endorsement card, nor shall any person receive anything of value for signing a card.

32606. No person shall pay any person on the basis of the number of signatures solicited or obtained on endorsement cards.

32607. Candidates may submit endorsement cards to the registrar of voters or, if none, to the county clerk for the county in which the individual making the endorsement resides for verification between the date when the candidate becomes eligible to have his or her name listed on the ballot and 25 calendar days prior to the primary or election for Superintendent of Public Instruction, or in the case of special primary elections, 17 calendar days before the election. To be verified and counted, cards must be filled out, and signed by the person making the endorsement and by the person who solicited or was responsible for obtaining his or her signature. Endorsement cards shall be regarded as submitted when received by the registrar of voters or clerk.

32608. As soon as practicable, but in no case more than five business days following receipt, endorsement cards shall be checked for compliance with this chapter and valid cards counted by county registrars of voters or, where none, county clerks. Cards shall not be invalidated because of insubstantial defects. Verification of cards may be done, in whole or part, by means of a statistically valid random sample, under regulations issued by the Secretary of State. Registrars of voters or clerks shall report their count by the next business day to the Secretary of State. The secretary shall aggregate figures and report them to the Commission within three business days after receipt.

32609. After submission to the registrar or clerk, endorsement cards shall be used only for verification and counting under Section 32608, for audits, investigations, and reports authorized by Sections 32711 and 32712, or under court orders as provided by Section 32812. Following verification and counting, cards for statewide candidates shall be transferred to the Secretary of State. Cards for legislative candidates shall be held by county clerks. The secretary and clerks shall destroy the cards four years after they have been counted.

32610. To have a contribution counted as a a qualifying contribution for purposes of this chapter, candidates must report the contribution to the Commission, with the full name and residential address of the contributor and the amount and date of the contribution, between the date when the candidate becomes eligible to have his or her name listed on the ballot and 25 days prior to the primary or election for Superintendent of Public Instruction, or in the case of special primary elections, 17 calendar days before the election. Reports of qualifying contributions shall be accompanied by a declaration signed by the candidate and his or her treasurer that the contributions were received as reported, that the candidate and treasurer have no reason to doubt that they were made by the persons reported with those persons' own funds, and that the

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candidate and treasurer have no reason to believe that any of the persons reported received or were promised anything of value for making their contributions. Contributions shall be regarded as reported when the information required by this section is received by the Commission, or if sent by properly addressed first-class registered mail when delivered to the proper postal officials.

32611. The Commission shall verify reported contributions within five business days after receipt to determine that, on their face, they meet the requirements for qualifying contributions, and shall keep a record of such verified contributions.

32612. After being checked for verification, reports of qualifying contributions shall be retained by the Commission. Reports shall be used only for verification, for audits, investigations and reports authorized by Sections 32711 and 32712, or under court orders as provided by Section 32812. The Commission shall destroy the reports four years after they are received.

32613. The Commission shall immediately notify a candidate and the Controller when the candidate becomes eligible under this chapter to receive public funds for qualified campaign expenditures. The Commission shall notify the Controller of the number of valid endorsement cards submitted by an eligible candidate.

32614. (a) Each eligible candidate for nomination for statewide elective office in a primary election, and for election as Superintendent of Public Instruction or for legislative office at a primary or special primary election is entitled to public payment of qualified campaign expenditures equal to three dollars (\$3) for each signed and verified endorsement card used to become eligible under Section 32601, and to three dollar (\$3) for each one dollar (\$1) of matchable contributions obtained and submitted in accordance with this division.

(b) Notwithstanding subsection (a), payments to an eligible candidate for nomination for Governor may not exceed five cents (\$0.05), to an eligible candidate for nomination for Lieutenant Governor or Attorney General two cents (\$0.02), and to an eligible candidate for nomination for Controller, Secretary of State, or Treasurer or for election as Superintendent of Public Instruction one and one-half cents (\$0.015), times the voting age population of the State on January 1 of the year of the election.

(c) Payments to an eligible candidate for nomination for or, in a special primary, for election to the State Senate may not exceed twelve cents (\$0.12), and to an eligible candidate for nomination for or election to the State Assembly eighteen cents (\$0.18), times the voting age population in the

district in which he or she is seeking nomination or election on January 1 of the year of the election. In the case of a special primary within three months following January 1 of the year of the election, the voting age population shall be determined as of January 1 of the preceding year.

32615. No unopposed candidate for nomination for an office in a primary election, or for election in a special primary election, is entitled to public payment of qualified campaign expenditures unless there is a contest for the nomination for the same office of a party with whom at least 10% of the persons registered to vote are registered. In that case, an unopposed candidate for nomination may receive only one-fourth the maximum payment provided in Section 32614. Write-in candidates may not be regarded as opposition, or as creating a contested primary for purposes of this section.

## CHAPTER 8. ADMINISTRATION OF CAMPAIGN FUNDS

32700. Each candidate shall designate a treasurer, who, subject to the candidate's control, shall have general responsibility for the candidate's campaign receipts and expenditures. The candidate may designate himself or herself as treasurer. No contributions may be accepted or expenditures made by a candidate, or by a person subject to the control of a candidate, at a time when the candidate has no treasurer. The candidate may remove a treasurer at any time.

32701. (a) A candidate shall establish one or more campaign bank accounts for each primary, general, special primary, special or runoff election.

(b) All contributions, payments and rebates in money, in checks and other negotiable instruments, or converted into money, received by the candidate or a person subject to his or her control or direction in connection with a campaign, except for public funds, shall be deposited in the accounts.

(c) All campaign expenditures, except petty cash expenditures, shall be made from the accounts by instruments in writing stating the name of the payee. The Commission shall adopt regulations for the withdrawal and use of funds for petty cash expenditures. Expenditures from the account shall only be made with the approval of the candidate, the treasurer, or a person authorized by the candidate or treasurer. Disbursements from a candidate's campaign account shall only be made for lawful campaign expenditures in connection with the election for which the account was established, except in closing the account.

(d) Any balance in a campaign account at the time it is closed, or not later than 90 days after the election for which the account was established, whichever is earlier, shall be paid to the State General Fund to the extent that the candidate has received unrepaid public payments under this division.

32702. A candidate may not receive any public payment under this division with respect to an election until he or she has met all legal requirements to have his or her name listed on the election ballot.

32703. To obtain public payments for a primary, general, special primary, special or runoff election a candidate must establish a separate bank account for deposit of public funds. All public funds received with respect to that election shall be deposited in the account. No other funds may be deposited in it. Disbursements from the account shall only be made for qualified campaign expenditures. All expenditures shall be made by instruments in writing stating the name of the payee. Any balance in the account at the time it is closed, or not later than 90 days after the election for which the account was established, whichever is earlier, shall be paid to the State General Fund to the extent the candidate has received unrepaid public payments under the division.

32704. To obtain public funds on the basis of matchable contributions, candidates must report the contributions to the commission, with the full name and residential address of the contributor and the amount and date of the contribution. Reports of matchable contributions shall be accompanied by a declaration signed by the candidate and his or her treasurer that the contributions were received as reported, that the candidate and treasurer have no reason to doubt that they were made by the persons reported with those persons' own funds, and that the candidate and treasurer have no reason to believe that any of the persons reported received or were promised anything of value for making their contributions.

32705. Within five business days after receipt, the Commission shall verify that reported contributions, on their face, meet the requirements for matchable contributions and shall certify the amount of verified matchable contributions to the Controller.

32706. After being verified, reports of matchable contributions shall be retained by the Commission. Reports of matchable contributions shall only be used for verification, for audits, investigations and reports authorized by Sections 32711 and 32712, or pursuant to court order under Section 32812.



32707. The Controller shall establish a state account for each candidate entitled to public payments under this division. Within two business days after receipt from the Commission of certification of an amount of matchable contributions, or the number of verified endorsement cards used to become eligible, the Controller shall credit a candidate's account with the amount of public funds to which he or she is thereby entitled according to this division.

32708. The Controller shall pay, for deposit in a candidate's bank account for public payments, amounts in the candidate's state account as requested in writing by the candidate. The payments shall be made within two business days after receipt of the candidate's request. The Controller shall reduce the balance in the candidate's state account by amounts paid.

32709. Candidates and their treasurers shall pay to the State General Fund, to the extent that they have received the unrepaid public payments:

(a) The amount of public payments received under this division to which they were not entitled;

(b) Any public payments which were expended other than for qualified campaign expenditures;

(c) The amount of any expenditure from a candidate's bank account, or petty cash account, for any purpose other than lawful campaign expenditures.

32710. (a) Candidates and other persons shall promptly pay to the Controller the amount or value of any rebate, refund or other repayment, whether in money or other thing of value, received by them because of any qualified campaign expenditure paid with public funds.

(b) Any payments received by the Controller from a candidate under this section or Section 32709 shall be deducted in calculating the amount of public funds which have been paid to the candidate, and the candidate's state account shall be credited for the amount of such payments.

32711. After a primary, general, special primary, special or runoff election, the Franchise Tax Board shall make a full examination and audit, including field investigations, of campaign receipts and expenditures of each candidate who received public funds under this division to check compliance with the division. Franchise Tax Board audits of primary candidates who are nominated shall not be initiated until after the general election. Board audits of candidates in a special primary or in an election for Superintendent of Public Instruction who are chosen as candidates for a special or runoff election shall not be initiated until after the special or runoff election.

Audits of candidates for Controller shall be made by the Commission rather than the Franchise Tax Board.

32712. The Franchise Tax Board's report on its audit and examination of each candidate shall contain in detail the Board's findings. The report shall be a public document. When the Board determines from its audit and examination that there is probable cause to believe that a violation of this chapter has occurred by any person it shall notify the Commission and the Attorney General.

32713. No member, employee or agent of the Franchise Tax Board shall make known any information or the details of any endorsement card, report or record which he or she receives under this division, except to carry out the responsibilities of the Board, or under court order.

32714. No person shall furnish any false, fictitious or fraudulent evidence, books, information or declaration to officials, or falsify or conceal any evidence or records relevant to administration or enforcement of this division.

#### CHAPTER 9. ENFORCEMENT, REMEDIES AND SANCTIONS

32800. The Attorney General is responsible for enforcing the criminal provisions of this division. The district attorney of any county in which a violation has occurred has concurrent powers and responsibilities with the Attorney General.

32801. Any person who knowingly or willfully violates any provision of this division is guilty of a crime, punishable by imprisonment in a state prison not exceeding five years or in a county jail not exceeding six months, or by a fine not to exceed ten thousand dollars (\$10,000) or three times the amount unlawfully contributed, expended, received, used or otherwise involved in the violation, or by both imprisonment and fine.

32802. No person convicted of a crime under Section 32801 shall be eligible to have his or her name listed on the ballot or to have write-in votes counted on his or her behalf for a period of four years following the date of conviction, unless the court at the time of sentencing explicitly determines that this provision shall not be applicable. A plea of nolo contendere shall be deemed a conviction for purposes of this section.

32803. No person convicted of a crime involving public funds under this chapter shall be eligible to receive or use public payments for campaign expenditures incurred after the date of conviction for a period of four years from the date of conviction, unless the court at the time of sentencing explicitly determines that this provision shall not be applicable. A plea of nolo contendere shall be deemed a conviction for purposes of this section.

32804. Prosecutions for violation of this division must be commenced within three years after the date on which the violation occurred.

32805. Any person who violates knowingly, willfully, or by gross negligence any provision of this division shall be subject to a civil penalty of at least five hundred dollars (\$500) for each violation, or up to three times the amount involved in the violation, whichever is greater. In fixing the amount of liability the court shall take into account the seriousness of the violation and the culpability of the defendant.

32806. (a) An action to recover a civil penalty under Section 32805 may be maintained by the Attorney General, the Commission or any person who is a resident of the state.

(b) Before filing an action for a violation under this section any person, except the Attorney General, must make a written request to the Commission for the Commission to initiate an action. The request shall include a statement of the grounds for believing that an action exists. The Commission shall reply to the request within forty days after receipt. If the Commission declares that it will file an action, and if it does so within forty days thereafter, no other civil action may be maintained unless the action brought by the Commission is dismissed without prejudice as provided in Section 32809.

32807. No action to recover a civil penalty under Section 32805 may be initiated until after the election in connection with which the alleged violation occurred, or in the case of an alleged violation by a candidate in connection with a primary, special primary election, or election for Superintendent of Public Instruction, until after the following general, special or runoff election if the candidate was nominated in the primary or chosen for the special or runoff election.

32808. Civil actions under this chapter must be brought within three (3) years after the date on which the violation occurred.

32809. Not more than one judgment on the merits may be obtained with respect to any violation under Section 32805. Actions brought for the same violation or violations shall have precedence for trial in order of the time filed. Actions shall be dismissed once judgment has been entered or a settlement approved by the court in an action previously filed. The court may dismiss a pending action without prejudice to any other action for failure of the plaintiff to proceed in good faith and diligently.

32810. If a judgment is entered against a defendant or defendants in an action under Sections 32805 and 32806, the plaintiff other than the Commission, the Attorney General or any other public official whose duties include enforcement of this division, shall receive fifty percent (50%) of the amount recovered. All other amounts shall be deposited in the State General Fund.

32811. The Attorney General, the Commission or any resident of the state may bring an action for a writ of mandamus or a suit for an injunction to compel compliance with or to prevent violation of the provisions of this division. The court may require a resident to file a complaint with the Commission before acting on a petition.

32812. Any person who may file a criminal prosecution or institute an action or suit under this chapter may petition an appropriate Superior Court to examine and use endorsement cards held by the Secretary of State or a county clerk, or reports of matchable or qualifying contributions held by the Commission, on the ground that the cards or reports have been involved in a violation, or contain evidence of a violation, of this division.

If the court determines that there is prima facie reason to believe that allegations in the petition are true, it shall conduct a hearing on the allegations at which all parties in interest have an opportunity to be heard. The court shall examine the cards or records involved in camera.

If after the hearing, the court determines that there is reasonable cause to believe that the allegations are true, it shall issue such orders as are necessary to make relevant cards and reports available to the petitioner. The court shall impose conditions to limit use of the cards to enforcement of this division and to prevent unnecessary disclosure.

32813. The court may award to a plaintiff, except a public agency or official suing in his or her official capacity, or a defendant, reasonable costs of litigation, including attorney's fees, if the plaintiff or defendant prevails in an action under Sections 32806 or 32811.

32814. Sections 83115 through 83121 of the Government Code are applicable to this division.

## CHAPTER 10. GENERAL PROVISIONS

32900. This division shall become effective July 1, 1977.

32901. (a) Except for this section, this division may be amended, to further the purposes stated in Chapter 1, by a statute passed in each house of the Legislature by two-thirds (2/3) of the membership on a roll-call vote and signed by the Governor, provided that the bill was before each house in substantially its final form at least 20 days before passage, and was delivered, substantially in its final form, to the Commission at least 20 days before passage in each house for distribution to the news media and to persons who request a copy.

(b) This division may be repealed or amended by a statute that becomes effective upon approval by the voters.

(c) If any portion of subsection (a) is declared invalid, subsection (b) shall be the exclusive means of repealing or amending this title.

32902. Sections 83111 through 83114 of the Government Code are applicable to this division.

32903. (a) There is hereby appropriated from the State General Fund such amounts as are necessary each fiscal year to provide public payments to candidates as authorized by this division and to administer and carry out the provisions of the division.

(b) If for any reason inadequate funds are available to make payments to candidates as required by this division with respect to an election, the limitations on contributions in Chapter 3 and the limitations on expenditures in Chapter 4 shall not be applicable to that election.

32904. (a) The following amounts shall be subject to adjustment each year for price level changes: the five-hundred-dollar (\$500), two-hundred-fifty-dollar (\$250), five-hundred-dollar (\$500), one-hundred-dollar (\$100), ten-dollar (\$10), one-thousand-dollar (\$1,000), fifty-thousand-dollar (\$50,000), five-hundred-dollar (\$500) and five-hundred-dollar (\$500) limits on contributions in paragraphs (1) through (4) in Section 32200, Section 32201, Section 32202, and subdivision (b) of Section 32203; the ten-cents (\$0.10), twelve-cents (\$0.12), five-cents (\$0.05), six-cents (\$0.06), twenty-five-cents (\$0.25), thirty-cents (\$0.30), forty-cents (\$0.40), and fifty-cents (\$0.50) times voting age population and the twenty-thousand-dollar (\$20,000) and ten-thousand-dollar (\$10,000) limits on expenditures in subdivisions (a) through (d) of Section 32301 and

subdivisions (a) and (b) of Section 32302; the four-dollars (\$4) and ten-dollars (\$10) per 1,000 registered voters in subdivision (b) of Section 32401; the seven-cents (\$0.07), two-and-one-half-cents (\$0.025), two-cents (\$0.02), fifteen-cents (\$0.15), twenty-two-and-one-half-cents (\$0.225), and two-cents (\$0.02) times the voting age population for maximum public payments in subdivision (a) of Section 32501, subdivision (a) of Section 32502, and subdivision (a) of Section 32503; the twenty-cents (\$0.20), thirty-cents (\$0.30), forty-cents (\$0.40), and twenty-cents (\$0.20) per qualified voter of subdivision (b) of Section 32501, subdivision (b) of Section 32502, and subdivision (b) of Section 32503; the ten-cents (\$0.10) and twenty-cents (\$0.20) per required signature in subdivision (c), of Section 32501 and subdivision (c), of Section 32502; the two-percent (2%), one-percent (1%), eight-percent (8%), three-percent (3%), eight-percent (8%), three-percent (3%), and one-half-percent (1/2%) of persons registered and the 50,000, 3,000, 20,000, 2,000, 4,500, 500, 3,500, 3,000, 300, 2,500, and 20,000 numbers required for eligibility in paragraphs (1) through (5) of subdivision (b) of Section 32601; the one-point-zero (1.0) value of each endorsement card in Section 32601.5; the three-dollars (\$3) for each endorsement card in subsection (a) of Section 32614; the five-cents (\$0.05), two-cents (\$0.02), one-and-one-half-cents (\$0.015), twelve-cents (\$0.12), and eighteen-cents (\$0.18) times voting age population in subdivisions (b) and (c) of Section 32614; the five-hundred-dollar (\$500) civil penalty in Section 32805; the two-hundred-dollar (\$200) and one-hundred-dollar (\$100) limits on matchable contributions in Section 32958; the one-thousand-dollars (\$1,000) for salary in paragraph (4) of Section 32963; and the fifty-dollar (\$50) and twenty-five-dollar (\$25) limits on qualifying contributions in Section 32964.

(b) The adjustment prescribed in subsection (a) shall be made by multiplying the amounts specified in that subsection by the ratio of the price level in California in January of the year in question to the price level in the State in January 1976. The Director of Finance shall determine and publish this ratio each January on the basis of the Consumer Price Indexes calculated by the United States Bureau of Labor Statistics, or its successor, and by such other information as is reasonably available. The ratio shall be rounded upward or downward to the nearest one-tenth (0.1) before being used to multiply the amounts specified.

(c) The Commission shall calculate and publish in January of each year the adjustments in amounts required by subsections (a) and (b).

(d) The Commission shall publish voting age population totals for the state and for State Senate and Assembly districts by February 10th of each year, and voter registration totals received under Section 32505 within five (5) days after receipt.

32905. (a) Contribution limits in this division apply only from the time the division becomes effective. They do not apply to contributions used to pay preexisting campaign debts with respect to elections prior to the effective date of this division.

(b) Expenditure limits apply to all primary, general, special primary, special and runoff elections held subsequent to the date this division becomes effective. They include expenditures made prior to the date of effectiveness with respect to such elections. If a candidate or other person has made expenditures in excess of a limit prior to the date of effectiveness the candidate is not in violation of this division.

32906. If any part of this division, or any of its provisions, or any part of any provision, or the application of any part, provision, or part of any provision to any person or circumstances, is held invalid, the remainder of the division, its provisions, or parts of provisions, or it or their application to persons or circumstances other than those as to which held invalid, to the extent that it is at all possible to give it or them effect, are severable and shall not be affected.

32907. This division should be liberally construed to accomplish its purposes.

#### CHAPTER 11. DEFINITIONS

32950. Except where the contrary is stated or appears clearly from the context, the following definitions shall govern interpretation of this chapter.

32951. "Candidate" means any individual listed or qualified to be listed on an election ballot, or who receives a contribution or makes an expenditure or gives his or her consent for any other person to receive a contribution or make an expenditure, even though he or she does not qualify to have his or her name listed on the ballot.

32952. "Commission" means the Fair Political Practices Commission established by the Political Reform Act of 1974.

32953. "Contribution" means a gift or loan, in any form or manner, of money, property or anything of value to a candidate for state elective office or to any person for the purpose of furthering or opposing the nomination or election of a candidate or candidates for state elective office in any primary, general, special primary, special or runoff election.

"Contribution" includes but is not limited to the purchase of tickets for dinners, luncheons, rallies and other fund-raising events; the purchase of anything at a price higher than its fair market value; sale or supply at reduced prices, or granting of rebates, not available to the public generally, or in the case of television and radio stations and newspapers not available on an equal basis to all candidates for the same office; payment or forgiveness of a loan or debt; payment by any person for any material, service, facility, or other thing of value

received or used by a candidate or another person to the extent that the candidate or other person does not pay full consideration.

Any expenditure by any person to further the nomination for or election to state elective office of the candidate, or to oppose the nomination for or election of one or more of his or her opponents, shall be regarded as a contribution to the candidate or to another person if it is made subject to the control or direction of, or in concert or cooperation with, or at the request or suggestion of the candidate or person, or an agent of the candidate or person.

The term "contribution" does not mean the candidate's own money or property used on behalf of his or her candidacy. It does not mean volunteer personal services, the minor use of real or personal property by the owner or lessee merely incidental to his or her rendering voluntary personal services, and payments by an individual for his or her own travel expenses in providing volunteer services. It also does not mean that portion of a gift or payment equal to the cost of food and beverage provided by the recipient in exchange for the gift or payment, or transfers of contributions and campaign funds received by one committee or person to another committee or person both of which are controlled by the same candidate for purposes of nomination for or election to state elective office.

32954. "Eligible nominee" means a person qualified to have his or her name printed on a general, special or runoff election ballot as a nominee of a political party, as an independent nominee, or as a candidate for Superintendent of Public Instruction.

32955. "Expenditure" means an expenditure of money, property or anything of value to further or oppose the nomination or election of a candidate or candidates. The term "expenditure" does not include use of volunteer personal services, the minor use of real or personal property by the owner or lessee, merely incidental to his or her rendering voluntary personal services and payments by an individual for his or her own travel expenses in providing volunteer services. The term also does not include the cost of food and beverage provided in exchange for a contribution to the extent that such costs are covered by the contribution.

32956. "Gift" means a transfer of money, goods, facilities, services or anything of value to a person to the extent that consideration of equal or greater value is not received in exchange from that person.

32957. "Individual" means a natural person.



32958. "Matchable contribution" means a monetary contribution or contributions, or portion of a contribution, except for a loan or loans, not previously matched, made to a candidate by an individual other than the candidate within the calendar year in which the election is held or the preceding calendar year, which when added to any previous contributions by the same person to the candidate that have been certified by the Commission for matching from the General Fund in connection with a primary, general, special primary, special or runoff election totals two hundred dollars (\$200) or less to a candidate for statewide office and one hundred dollars (\$100) or less to a candidate for the Legislature. A matchable contribution must be made by an instrument in writing containing the name of the contributor.

32959. "Named or clearly identified candidate" means the candidate is named, a photograph or drawing of the candidate is used, or the identity of the candidate is apparent by unambiguous reference.

32960. "Person" means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, labor union, association, committee, and any other organization or group of persons acting jointly.

32961. "Political party" means any political party which has a right, under law, to have the names of its candidates listed on the ballot in a general election as candidates of that party.

32962. "Public payment" or "public funds" means payment or funds from the State General Fund paid or payable to a candidate under this division for qualified campaign expenditures.

32963. "Qualified campaign expenditures" are expenditures for which public funds may be used. A "qualified campaign expenditure" is an expenditure by a candidate, or by any person authorized by the candidate to make expenditures on his or her behalf, to further the candidate's nomination or election to state elective office during the year in which the primary or general election in which he or she is seeking nomination or election is held, for services, material, facilities, or other things of value used during that year, or in the case of a special election expenditures for the period beginning with the Governor's proclamation of the election through 45 days after the special primary, or if a candidate is involved in a special election for services, materials, facilities, or other things of value used during the period between the special primary election and 60 days after the special election.

"Qualified campaign expenditure" does not include:

(1) An expenditure in violation of any law of the United States or California;

(2) Payment made to the candidate or a relative of the candidate, or to a business entity in which the candidate or relatives of the candidate have a 10-percent or greater ownership interest, except to the extent that the Commission determines that because of special circumstances an exclusion would impose a not insubstantial disadvantage on a candidate;

(3) Payment to the extent clearly in excess of the fair market value of services, materials, facilities or other things of value received in exchange;

(4) That portion of any salary or wage to any individual in excess of one thousand dollars (\$1,000) per month;

(5) Payment from petty cash authorized by Section 32701;

(6) Expenditure for food, drink or entertainment;

(7) Gifts, except brochures, signs, and other printed campaign material.

32964. "Qualifying contribution" means a monetary contribution or contributions, or portion of a contribution, except for a loan or loans, by an individual other than the candidate or his or her immediate family, within the calendar year in which a primary or special primary election is held or the preceding calendar year, totaling fifty dollars (\$50) or less to a candidate for nomination for statewide office, and twenty-five dollars (\$25) or less to a candidate for nomination for the State Legislature. A qualifying contribution must be made by an instrument in writing containing the name of the contributor. A qualifying contribution may also be a matchable contribution.

32965. "Relative of a candidate" means a wife or husband, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, niece, nephew, first cousin, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law.

32966. "Special elections" are runoff elections to fill vacancies in the Legislature. "Special primary elections" are elections to fill vacancies in the Legislature which if no candidate receives a majority of the votes cast are followed by a special election.

32967. "State elective office" means the office of Governor, Lieutenant Governor, Attorney General, Controller, Secretary of State, Treasurer, Superintendent of Public Instruction, State Senator and State Assemblyman or Assemblywoman.

32968. "Statewide elective office" means the office of Governor, Lieutenant Governor, Attorney General, Controller, Secretary of State, Treasurer and Superintendent of Public Instruction.

32969. "State officers and employees" does not include persons holding state elective office.

32970. "Voting age population" of the state means the population aged eighteen years or over as determined under Section 82055 of the Government Code. Voting age population of State Senate and Assembly districts means the voting age population of the state divided by the number of Senate and Assembly districts, respectively.

Section 2: Section 85102 of the Government Code is repealed.

~~85102. The state central committee of a political party, and committees and subcommittees which it controls, shall not make expenditures during the five months prior to a statewide election aggregating more than one cent (\$.01) multiplied by the voting age population and adjusted for cost-of-living changes. For purposes of this section, a county central committee is not a committee or subcommittee controlled by a state central committee.~~

Section 3: Section 83112 of the Government Code is amended to read: "The Commission may adopt, amend and rescind rules and regulations to carry out the purposes and provisions of this title and Division 17 of the Election Code, and to govern procedures of the Commission. These rules and regulations shall be adopted in accordance with the Administrative Procedure Act (Government Code, Title 2, Division 3, Part 1, Chapter 4.5, Sections 11371 et seq.) and shall be consistent with this title, Division 17 of the Elections Code, and other applicable law."

Section 4: Section 83113 of the Government Code is amended to read: "The Commission shall, in addition to its other duties:

(a) Prescribe forms for reports, statements, notices and other documents required by this title and Division 17 of the Election Code;

(b) Prepare and publish manuals and instructions setting forth methods of bookkeeping and preservation of records to facilitate compliance with and enforcement of this title and Division 17 of the Election Code, and explaining the duties of persons and committees under this title and Division 17 of the Election Code; and

(c) Provide assistance to agencies and public officials in administering the provisions of this title and Division 17 of the Election Code."

Section 5: Section 83114 of the Government Code is amended to read: "Any person may request the Commission to issue an opinion with respect to his or her duties under this title or Division 17 of the Election Code. The Commission shall, within fourteen days, either issue the opinion or advise the person who made the request whether an opinion will be issued. No person who acts in good faith on an opinion issued to him by the Commission shall be subject to criminal or civil penalties for so acting, provided that the material facts are as stated in the opinion request. The Commission's opinions shall be public records and may from time to time be published."

Section 6: Section 83115 of the Government Code is amended to read: "Upon the sworn complaint of any person or on its own initiative, the Commission shall investigate possible violations of this title or Division 17 of the Election Code relating to any state agency, state official, state election, lobbyist or state legislative or administrative action. Within fourteen days after receipt of a complaint under this section, the Commission shall notify in writing the person who made the complaint of the action, if any, the Commission has taken or plans to take on the complaint, together with the reasons for such action or non-action. If no decision has been made within fourteen days, the person who made the complaint shall be notified of reasons for the delay and shall subsequently receive notification as provided above."

Section 7: Section 83116 of the Government Code is amended to read: "When the Commission determines there is probable cause for believing this title or Division 17 of the Election Code has been violated, it may hold a hearing to determine if such a violation has occurred. Notice shall be given and the hearing conducted in accordance with the Administrative Procedure Act (Government Code, Title 2, Division 3, Part 1, Chapter 5, Sections 11500 et seq.). The Commission shall have all the powers granted by that chapter.

When the Commission determines on the basis of the hearing that a violation has occurred, it shall issue an order which may require the violator to:

(a) Cease and desist violation of this title or Division 17 of the Election Code;

(b) File any reports, statements or other documents or information required by this title or Division 17 of the Election Code;

(c) Pay a monetary penalty of up to two thousand dollars (\$2,000) to the General Fund of the state.

When the Commission determines that no violation has occurred, it shall publish a declaration so stating."

Section 8: Section 83122 of the Government Code is amended to read: "There is hereby appropriated from the General Fund of the state to the Fair Political Practices Commission the sum of ~~five-hundred-thousand-dollars-(\$500,000)-during-the-fiscal-year-of 1974-1975,-and-the-sum-of-one-million-dollars-(\$1,000,000),-ad-~~ justed-for-cost-of-living-changes-during-each-fiscal-year-there- after, one million seven hundred thousand dollars (\$1,700,000), adjusted for cost of living changes, during the fiscal year 1977-78, and for each fiscal year thereafter, for expenditure to support the operations of the Commission pursuant to this title and Division 17 of the Elections Code. The expenditure of funds ~~under this appropriation shall be subject to the normal administra-~~ under this appropriation shall be subject to the normal administra- tive review given to other state appropriations. The Legislature shall appropriate such additional amounts to the Commission and other agencies as may be necessary to carry out the provisions of this title and of Division 17 of the Elections Code.

The definition of 'expenditure' in Section 82025 is not applicable to this section."